GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1733
ANSWERED ON:15.03.2005
PALM OIL IMPORT
Pallani Shamy Shri K.C .;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the tariff structure on Palm Oil, promotes only the imports of refined palm oil and not crude palm oil;

(b) whether the current tariff was adopted under pressure from foreign producers exporting refined oil;

(c) whether the parameters adopted for import of this oil are foolproof and cannot be manipulated;

(d) if not, the measures taken to prevent misuse of import provisions;

(e) whether the Government is intending to alter import duty on palm oil; and

(f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI E.V.K.S. ELANGOVAN)

(a): Custom duty on palm oils is 80% for crude palm oil and 90% for refined palm oil. (plus education cess of 2%). The duty differential between crude palm oil and refined palm oil of 10% has been fixed with a view to provide reasonable protection to the domestic Edible Oil Refining Industry. The present pattern of imports of edible oils does not show that the duty structure on palm oil promotes only the import of refined oil and not crude oil.

(b): No, Sir. The Customs duty rates have been determined after taking into account the relevant factors including domestic demand and supply position, interest of the domestic oil seed growers, domestic edible oils Industry and the consumers.

(c) & (d): The import of crude palm oil is subject to actual user condition, for manufacture of refined oil, refined palmolein, vanaspati, bakery shortening or inter-esterified fats only. Specific criteria to distinguish crude and refined palm oil is also prescribed, so as to check any possible misuse.

(e): No, Sir

(f): Does not arise